

Message Text

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ORIGIN NEA-12

INFO OCT-01 ARA-11 EUR-25 EA-11 ADP-00 EB-11 SCEM-02 PM-07

NSC-10 SS-15 RSC-01 L-03 CIAE-00 INR-10 NSAE-00 PRS-01

CIEP-02 TRSE-00 USIA-12 /134 R

DRAFTED BY NEA/ ARP: FMDICKMAN

5/21/73

APPROVED BY NEA/ ARP - MR. DICKMAN

EB/ FSE - MR. BROWN

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FM SECSTATE WASHDC

TO AMEMBASSY ABU DHABI

INFO AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY BEIRUT

AMEMBASSY BRASILIA

AMEMBASSY CARACAS

AMCONSUL DHAHRAN

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

USMISSION OECD PARIS

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E. O.: 11652: N/ A

TAGS: ENRG, SA

SUBJ: SAG SALES OF PARTICIPATION CRUDE

REF : JIDDA'S 1916 (NOTAL), ABU DHABI' S 648 (NOTAL)

1. FOLLOWING IS INFORMATION DEPARTMENT HAS OBTAINED FOR
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YOUR BACKGROUND RE RECENT SALES OF SAUDI PARTICIPATION CRUDE. SAUDIS RECEIVED 51 OFFERS FOR PARTICIPATION CRUDE AND SIGNED CONTRACTS WITH 25 FIRMS (SOME AS CONSORTIA) FOR AMOUNTS TOTTALLING NEARLY 70 MILLION BARRELS (APPROXIMATELY 180.000 BPD) DURING LAST SIX MONTHS OF 1973 WITH SAME AMOUNTS TO BE SOLD IN 1974 AND 1975 FOR EACH CUSTOMER. WHILE MAJORS MADE OFFERS, SAUDIS DECIDED NOT CONSIDER THEM FOR THIS ROUND.

2. FIRMS AND AMOUNTS PURCHASED FOR EACH OF THREE YEARS AS FOLLOWS IN MILLIONS OF BBLS: ASHLAND (6-8); TENNECO (6); NEW ENGLAND PETROLEUM (6); COASTAL STATES REFINERS (6); SHAHEEN NATURAL RESOURCES (7.8); ICC INDUSTRIES (1.5); PETRORICO (3); MITSUI/ KYOKUTO (1.8); MITSUBISHI (1.9); IDEMITSU (1.9); ARABIAN OIL/ KYODO/ SEKIYU (1.9); C. ITO/ TOA OIL (1.9); MARUZEN/ NICHIMEN (1.9); FUJI OIL (1.9); INDIAN COMPANIES (3); KRAFFERT MARKETING GROUP OF WEST GERMANY (1.2) WESSELING (3.2) SEPSA OF SPAIN (NOT KNOWN) AND PETROBRAS (9.3).

3. AVERAGE PRICE WAS ABOUT 30 CENTS PER BARREL ABOVE BUY BACK PRICE. PRICES INCLUDING APRIL 1 GENEVA COST INCREASE BUT NOT ANTICIPATED DEVALUATION ESCALATION FOR VARIOUS GRADES AS FOLLOWS: BERRI (LOW SULFUR) \$2.71; LIGHT - \$2.55; MEDIUM-\$2.43 AND HEAVY - \$2.33.

4. ACCORDING TO ARAMCO; SAUDIS REFUSED TO DEAL WITH ANY MIDDLEMEN OR OIL BROKERS. THERE WAS NO BARGAINING OR BIDDING. BUYERS WERE GIVEN A " TAKE IT OR LEAVE IT" PRICE. SINCE SALE, ARAMCO REPORTS SAUDI OIL MINISTER YAMANI HAS LET IT BE KNOWN THAT HE EXPECTS TO RENEGOTIATE THE PARTICIPATION BUY BACK PRICE ESTABLISHED DURING NEGOTIATIONS LAST WINTER. RUSH

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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 21 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE097470
Document Source: CORE
Document Unique ID: 00
Drafter: FMDICKMAN
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730550/aaaajniv.tel
Line Count: 96
Locator: TEXT ON-LINE
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 JIDDA' S 1916 (NOTAL), 73 ABU DHABI' S 648 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 06 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Aug-2001 by boyleja>; APPROVED <28-Nov-2001 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980225
Subject: SAG SALES OF PARTICIPATION CRUDE
TAGS: ENRG, SA
To: ABU DHABI
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CARACAS
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JAKARTA
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KUWAIT
LONDON
NEW DELHI

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005